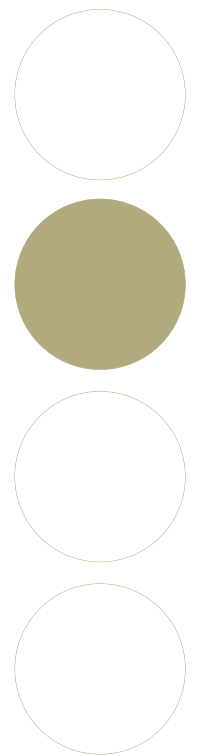


Philanthropy in the News

An Analysis of Media Coverage | 1990-2004



FOUNDATIONWORKS

Prepared by Hollis A. Hope, David P. Fan Ph.D., and Vikki N. Spruill
for the **Philanthropy Awareness Initiative**

foreword

The Philanthropy Awareness Initiative (PAI) is a research project designed to collect and better understand perceptions about philanthropy and the foundation world in the United States today. To some extent, foundation leadership and staff historically have worked behind the scenes to advance their missions and, as a result, are little known for the contributions they make and the impact they create. However, given the significance of the foundation sector in America and its potential for advancing the common good, this operating paradigm may be becoming obsolete.

The purpose of the PAI is to determine how the foundation component of the philanthropic sector might increase understanding of the role foundations play and give voice to their impact on society. The PAI is a project of FoundationWorks, an independent effort devoted to helping foundations and others in the philanthropic sector better utilize strategic communications as a principal agent for enhancing philanthropic effectiveness. FoundationWorks is housed within SeaWeb, an organization that uses social marketing to advance ocean conservation. FoundationWorks is intended to extend the learning from SeaWeb across the spectrum of social issues. The PAI project team consists of Director Vikki N. Spruill, president of SeaWeb and co-founder of FoundationWorks, and Hollis A. Hope, PAI program manager.

We developed the PAI after reviewing a growing body of research that suggests that little is known about the societal role and value of philanthropic foundations. Would valuing the role of foundation philanthropy enhance the impact of giving? How might this value be best expressed? Is there a need to reshape the way in which foundations are perceived in America? And, finally, to whom should such an effort be targeted and how?

Our current effort is focused on finding answers to these questions through the following activities:

- 1) a review of recent research on the philanthropic sector
- 2) a news media audit, and
- 3) leadership interviews with opinion leaders, including foundation presidents and chief executives.

“Philanthropy in the News,” is the second in a series of four volumes. It was produced by lead author Hollis A. Hope, David P. Fan, Ph.D., professor at the University of Minnesota and president of InfoTrend,[®] Inc., and Vikki N. Spruill. Three volumes will summarize our research findings and will culminate in a fourth synthesis-and-recommendations document to provide a unique look at the current state of foundation philanthropy and the way in which it is understood and perceived in America today.

We would like to thank the David and Lucile Packard Foundation for their generous support. Additionally, we would like to thank the following individuals for their critical review and feedback on this publication: David Clayton, Ph.D., of Harris Interactive; Lisa Dropkin of Edge Research; David Hicks, Ph.D., of Regis University; Dawn Martin of SeaWeb; Tracy L. Johnson, Ph.D., of Health Policy Solutions; Paul C. Light, Ph.D., of the Brookings Institution and New York University; and Andrew Solomon, of the John D. and Catherine T. MacArthur Foundation.



Vikki N. Spruill

Director, Philanthropy Awareness Initiative
Co-Founder, FoundationWorks

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executive summary

The Philanthropy Awareness Initiative (PAI) is a research project supported by the David and Lucile Packard Foundation. Its purpose is to collect and better understand perceptions of philanthropy and the foundation world in the United States today. The goal of the PAI is to determine how the foundation component of the philanthropic sector might better express its value to society.

The philanthropic sector is large, diverse and complex. Research conducted by the PAI and other organizations suggests that little is known about the societal role and value of foundation philanthropy. To some extent, foundation leadership and staff historically have been “silent soldiers” and prefer to work through their grantees and stay behind the scenes.

Given the current climate of increased scrutiny and mistrust, and the fact that foundations are not understood or appreciated for the true impact they have on society¹ does this operating paradigm continue to serve foundation leadership and the broader foundation community, or is it becoming obsolete?

The purpose of the PAI is to explore this question and determine if there is a need to reshape and/or reframe the way in which foundations and their impact are perceived in America and, if so, how. PAI activities include:

- a news media content analysis;
- a literature review of recent research on the philanthropic sector; and
- interviews with opinion leaders, including foundation presidents and chief executives.

The following assumptions underlie the PAI’s research:

- as part of the fabric of our core values as a nation, a vibrant philanthropic community is essential to our uniquely American democratic experience;
- foundations play an important role in advancing this vibrant philanthropic community;
- philanthropy in general is not well understood; and
- more informed opinion leaders would increase the foundation community’s value.

HOW IS PHILANTHROPY COVERED IN THE NEWS?

This report covers only the media-audit aspect of the project and discusses the PAI’s approach to an in-depth, historical media analysis that reveals the following findings:

- Media coverage increased during the period studied, January 1, 1990 to December 31, 2004;
- Only 1 percent of 38,000 stories analyzed discuss the benefit or impact of philanthropic activity;
- Contrary to common perception of coverage about the sector, only 1 percent of stories analyzed were negative; and
- Coverage was mostly “transactional,” focusing on individual giving transactions, philanthropic events, and passing references to philanthropy.

Going back to 1990 allows us to establish a baseline understanding of historical media coverage by collecting more than a decade's worth of data from 31 of the nation's major media sources that have been consistently available online since that time. Based on a review of mission and program statements, it is clear that foundations want to advance a multitude of social issues or solve challenges – for example, ending injustice, eliminating hunger, improving education, and providing access to affordable health care. The major media outlets, however, report almost exclusively on the *transactions* associated with the granting of money (i.e., incremental funding of programs and initiatives or specific instances of giving) and are largely silent on whether or not the issues are being advanced or problems are being solved as a result of the giving events.

The results and implications of the media content analysis, discussed in the pages that follow, suggest there may be a disconnect between how foundations say they want to be perceived and how they are actually perceived. Since the coverage tends to be transactional in nature (Foundation A gave X amount of resources to Organization B to do Y), foundations are largely portrayed as bankers or brokers. Yet, judging from foundation mission and program statements, these institutions desire to be seen as catalysts of change, innovators, and promoters of human achievement. This disconnect begs the following questions:

- What is the role of foundation philanthropy in effecting change?
- Is there a shared view among foundations about what this role is?
- If so, is this role understood and valued?
- Would valuing the role of foundation philanthropy enhance the impact of giving?
- Do foundations have an obligation to contribute to the public discourse on the issues they care about?
- If so, how well and how extensively is that obligation being fulfilled?

Foundation and philanthropic sector leaders must consider whether they wish to be known for the good that they do or for the money that they give. Is there an imperative to increase understanding about the mission and role of foundations in the United States, which in turn will build trust and goodwill on the part of opinion leaders and the public? Finally, if greater awareness and understanding leads to increased impact, then how might this educational process begin? What might be the catalyst for such activity and what would it look like?

We believe that these questions are worthy of exploration. We hope that the discussion and findings in the pages that follow will be provocative, and that they will point to new opportunities for meaningful, substantive news coverage that will help to increase the impact of foundation philanthropy.

INTRODUCTION

Charitable foundations embody philanthropic values that are core to American society at large. In 2004 in the United States alone, more than 66,000 grant-making foundations gave an all-time high of \$31.8 billion to a wide array of efforts aimed at advancing the quality of life and society at home and abroad.² Yet, is the role of foundations understood and valued relative to the contributions they make? Would a greater understanding and appreciation for what is funded, why, and the anticipated and actual outcomes among policymakers and opinion leaders enhance the sector's overall value? If so, how would the process of improving understanding begin and what might be the catalyst for such activity?

To shed light on these questions and to spur dialogue, the David and Lucile Packard Foundation has funded a project called the Philanthropy Awareness Initiative (PAI). The goal of the PAI is to determine how the foundation component of the philanthropic sector might better express its value to society. Further, the PAI intends to ascertain how leaders within and outside the sector view philanthropic foundations, and assess foundation leaders' willingness to collectively enhance the understanding of the value of foundations in the world of philanthropy (hereafter "foundation philanthropy"). To these ends, initial PAI activities include:

- an extensive, in-depth news media content analysis;
- a review of recent academic and policy research on the philanthropic sector; and
- interviews with opinion leaders, including foundation CEOs.

The objectives of these research activities are to:

- 1) establish a baseline understanding of how philanthropy and the philanthropic sector are perceived in the public domain;
- 2) determine if there is a need and opportunity to reshape and/or reframe the way in which foundations are perceived in the United States; and
- 3) deliver a series of recommendations for future action.

The purpose of this report is to document and present findings from one piece of PAI research—the media audit—and to present a framework for ongoing monitoring of foundation philanthropy in the news. The following discussion includes the rationale and conceptual framework, methodology, and findings of the PAI's content analysis of news media stories about foundation philanthropy and related ideas. The concluding section discusses implications of this study for further research and future activity for the foundation community.

WHY ANALYZE PHILANTHROPY IN THE NEWS?

Twentieth-century scholars and journalists, from Walter Lippman to Marshall McLuhan and Theodore White, have long studied the impact of media and its dual role of both shaping and reflecting public opinion and popular culture. In his 2004 book, *Setting the Agenda: The Mass Media and Public Opinion*, Maxwell McCombs neatly summarizes the literature and empirical evidence supporting the power of the news media to set agendas, particularly around social and political issues. McCombs argues,

“To a considerable degree, journalism is grounded in the tradition of storytelling. However, good journalism is more than just telling a good story. It is about telling stories that contain significant civic utility. The agenda-setting role of the massmedia links journalism and its tradition of storytelling to the arena of public opinion, a relationship with considerable consequences for society.”⁴

News media matters in the realm of public affairs because “most of the issues and concerns that engage our attention are not amendable to direct personal experience.”⁵ Most Americans learn about the issues they care about through print and electronic media and, increasingly, the Internet.⁶

The purpose of this media-content analysis is to examine how foundation philanthropy has been recently portrayed by major mainstream media outlets. Analysis of public discourse—in this case, what the news media are saying about philanthropy—offers a glimpse into the broader social debate and a means to gauge, indirectly, public attitudes toward that topic. In other words, this analysis gives us a sense of what the reading public, including opinion leaders, interprets from news media stories.

In the past few years, negative press has caught the attention of policymakers and contributed to the need to assess its impact on perceptions of foundation philanthropy. Headlines in newspapers including the Boston

*“All I know is just
what I read in the
newspapers”*

Globe, San Jose Mercury News, and The New York Times have sparked debate about whether charitable foundations have been branded as elitist, badly governed, and even fraudulent.⁷ Reported instances of malfeasance and fiscal impropriety have increasingly (and rightly) drawn the attention of the sector and the U. S. Senate Finance Committee.⁸ Such problems are legitimate and need to be identified and addressed.

—Will Rogers³

While there have been occasional negative stories, our research suggests that unfavorable press is not the sector’s main problem. In fact, relative to all coverage since 1990, there has been very little news that can be characterized as negative or positive. Instead, the stories are transactional in nature and tone. What we find is missing from stories about philanthropy is the impact that it has. What is the societal benefit of philanthropy, and what is being accomplished by the billions of philanthropic dollars going to support a myriad of social and cultural initiatives?

After investigating various approaches to content analysis, David P. Fan, Ph.D., professor at the University of Minnesota and president of InfoTrend®, Inc., was identified and selected as a research partner.⁹ Using the InfoTrend software developed by Dr. Fan, this study takes a systematic, historical look at coverage of

philanthropy in the news in order to identify patterns and trends, and to establish a baseline understanding of how the field has been covered by journalists in the United States.¹⁰ Computer-aided content analysis offers a new and comprehensive lens through which to view the public discourse on social issues.¹¹ It is also a tool for summarizing the specific nature of the debate and monitoring changes in the debate over time.

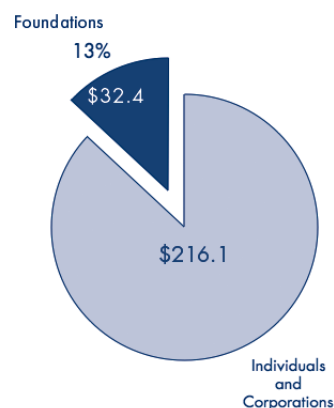
Developing a media-content coding system tailored to the topic allows a substantial amount of data to be processed and analyzed in order to establish a representative sample of national news coverage, time trends, and substantive themes that show how foundation philanthropy has been covered in the media historically and how coverage is changing over time.¹² Based on this understanding of the nature of historical coverage, the PAI is developing a Web-based application to monitor coverage of foundation philanthropy in the future.

CONCEPTUAL FRAMEWORK

The philanthropic sector is large, complex and difficult to define.¹³ We looked for all references to philanthropy in the news media, including the largest and most recognized foundations. In fact, as illustrated in Figure 1, this is a small but important segment of the larger philanthropic community working to advance the common good that includes individual donors and charitable organizations.¹⁴

To provide a framework and parameters for the media content analysis, we identified a set of collective strategic goals embraced by the foundation community and organizations that represent the sector to see if we could measure media coverage against those stated goals. Since the sector is diverse and comprised of tens

FIGURE 1: Foundation giving as percentage of all philanthropic giving (2004 estimates, dollars in billions)



Source: The Foundation Center, Foundation Yearbook, 2005. "Giving by independent, corporate, community and operating foundations totaled 13 percent of all private giving in 2004."

of thousands of independent foundations, these organizations do not share a common vision and goals. Foundations vary greatly by mission, size (in terms of both total assets and giving), type (e.g., private, family, community, corporate, hospital conversion) geographic location, philosophy, core issue area and/or programmatic focus.

In order to establish a relevant universe of themes and goals, we selected the top 50 foundations as identified by the Foundation Center.¹⁵ Based upon their publicly stated missions and program statements, we compiled a list of the most frequently repeated concepts and goals in order to track and "score" those appearing in the news media. The result is a general list of pieces of mission statements and goals that may serve as a proxy list for the overall sector. We grouped these concepts into four broad categories and they became the conceptual basis for our analysis:

- goals (i.e., what is being funded and to what end);
- implementation (i.e., what mechanisms and resources are being used to accomplish the goals);
- performance (i.e., effectiveness); and
- rationale (i.e., to advance progress or fulfill a moral obligation).

The content analysis consisted of the five steps described below:

- 1) collecting news stories about foundation philanthropy and related ideas from the LexisNexis® online database;
- 2) filtering the downloaded text to eliminate irrelevant stories and paragraphs;
- 3) identifying the predominant content themes expressed in the text to characterize the nature of the news coverage;
- 4) coding and scoring paragraphs in the stories with a set of customized rules designed to
 - a. reveal recurrent discussion themes,
 - b. expressions of praise and criticism (as measures of favorable and unfavorable coverage), and
 - c. the extent to which the benefits or impact of philanthropic activity are documented in the news media; and
- 5) validating the content coding and volume scoring of the articles.

1. COLLECTING DATA FROM NEWS STORIES

Data for this study consisted of news-media stories about foundation philanthropy downloaded from the LexisNexis online database for the 15-year period of January 1, 1990 through December 31, 2004. News sources for the sample were selected if the complete texts of all stories were continuously available online during the period studied. Using this criterion, we identified 31 news sources, including major national and regional newspapers (e.g., Chicago Tribune, Los Angeles Times, St. Louis Post-Dispatch, New York Times, USA Today, Washington Post), news wires (e.g., Associated Press, Federal News Service, U.S. News Wire, United Press International), television news transcripts (NewsHour with Jim Lehrer), and specialty publications like the Harvard Business Review and the National Journal. (See Appendix A for the full list of sources.) Although additional news sources came online during the time period of the analysis, this approach gave us a constant data set and provided a sufficiently large and representative sample of coverage to be statistically reliable.

The search documented a total of 43,334 stories about foundation philanthropy during the 15-year period. The search strategy consisted of key words and phrases corresponding to:

- charitable giving
- grantmaking
- philanthropy

Additionally, in order to enable a robust examination of how foundation philanthropy is discussed in the news media, a number of specific foundation names were included as well as names of organizations representing segments of the foundation community (e.g., Annenberg Foundation, Gates Foundation, Olin Foundation, Walton Family Foundation; and the Association of Small Foundations and the Council on Foundations). (See Appendix B for the full list.)

2. FILTERING TEXT

A series of random samples of the downloaded stories was examined to assess the relevance of the text and to further eliminate stories and paragraphs that were not topical, or where philanthropy was mentioned only

in passing. We added numerous criteria to the computer language to weed out and discard paragraphs that were irrelevant.¹⁶ After removing as much irrelevant text as possible, the final database included 38,086 stories.

3. IDENTIFYING THE NATURE OF NEWS COVERAGE ABOUT PHILANTHROPY

The remaining stories were examined to identify the most frequently mentioned concepts associated with foundation philanthropy. After scanning foundation mission and program statements we developed a list of words and phrases. We later refined the list of word and phrase combinations in light of what actually emerged from the analysis of the news story content. Given the large volume of data generated, we examined random samples of 200 stories to identify specific themes related to foundation philanthropy.

4. CODING AND SCORING TEXT

Coding text is a means of counting the number of times each of the concepts of interest appear in the database of stories. Through an iterative process, we developed a set of rules with which to score text according to the ideas expressed. We created a computer language that consisted of a lexicon of words and word combinations used to convey the ideas identified as important for the topic. Additionally, a series of rules was developed to specify how words in the lexicon combine to give new meanings. Throughout the analysis, iterations of coding decisions were examined by testing new random stories of coded text.

As noted above, the conceptual ideas coded were chosen in part because they were emphasized in mission statements and in part because they appeared in the text during the early stages of analysis. We coded the text to capture expressions of numerous concepts of interest including issue or programmatic areas of focus (e.g., health and welfare, the arts, science and technology), values (e.g., religion, ethnic and cultural diversity), and whether the object of giving was short-term (e.g., disaster relief) or long-term (e.g., investment and empowerment).

For example, an examination of random stories suggested that we should code text for expressions of philanthropic successes, outcomes, or accomplishments that seemed to appear rarely in text related to philanthropy. Coding for each idea required numerous words and phrases, in this case that referred to benefits of philanthropic activity. (See Appendix C for the lexicon developed by the PAI and Appendix D for illustrative examples of the methodology applied to the text of news stories.)

5. CHECKING VALIDITY

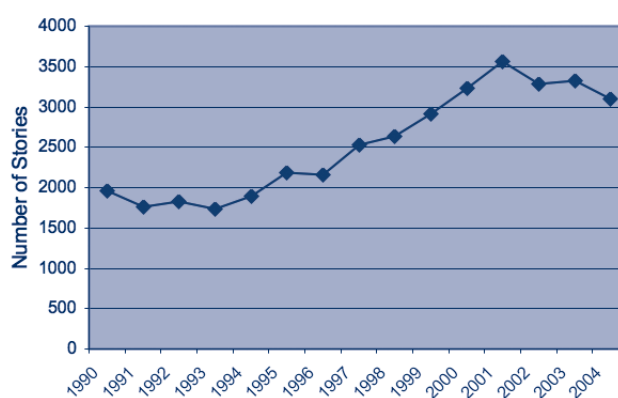
A common standard for computer content analysis is an 80 percent accuracy rate for computer-based coding.¹⁷ We examined a random sample of 200 stories coded for philanthropy in order to determine whether or not they were accurately identified as relevant to philanthropy, and found that 75 percent scored accurately. Those that scored inaccurately included passing references to philanthropy or philanthropists, such as mentions in obituaries or personnel announcements. In addition, we manually scored several categories of concepts to compare the machine scoring with scoring by hand. In our validity analysis, the average accuracy rate for specific concepts of interest was 95 percent with most in the range of 90 to 95 percent.¹⁸

FINDINGS

In the pages that follow, we present the findings from our data collection and analysis of 38,086 stories about the philanthropic sector appearing in the major national news media between 1990 and 2004. Our data analysis reveals the following:

A. The volume of stories has increased: Media coverage of foundation philanthropy has been increasing over time, peaking at 3,562 stories in 2001, as illustrated in Figure 2. There has been a general rise over this time period, but the exact direction of the trend at the beginning and end of the 15-year period analyzed is unclear, given the absence of data prior to 1990 and after 2004.

FIGURE 2:
Time trend showing annual
number of stories about
foundation philanthropy
and related ideas



This trend of increasing news coverage parallels the growth in overall foundation assets and giving during the same period (see Figure 3). Additionally, the field is expanding rapidly with the emergence of numerous new foundations: the number of active private and community foundations more than doubled, from 32,401 in 1990 to 67,736 in 2004.¹⁹ Although we do not know if the increase in the number of news stories indicates an increase in the willingness of the news media to cover philanthropic issues, there does appear to be a correlation with increases in actual giving and the number of foundations.

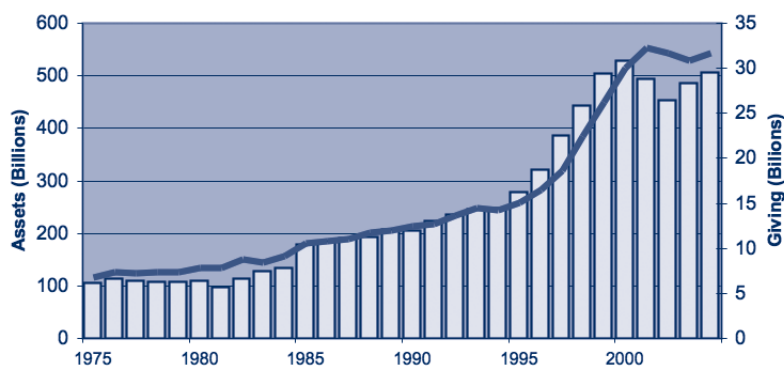


FIGURE 3: Trends in
foundation assets and
giving, 1975-2004

Source: The Foundation Center, Foundation Yearbook, 2006. Adjusted to constant 2004 dollars based on annual average Consumer Price Index, all urban consumers, as reported by The U.S. Department of Labor, Bureau of Labor Statistics, as of April 2006.

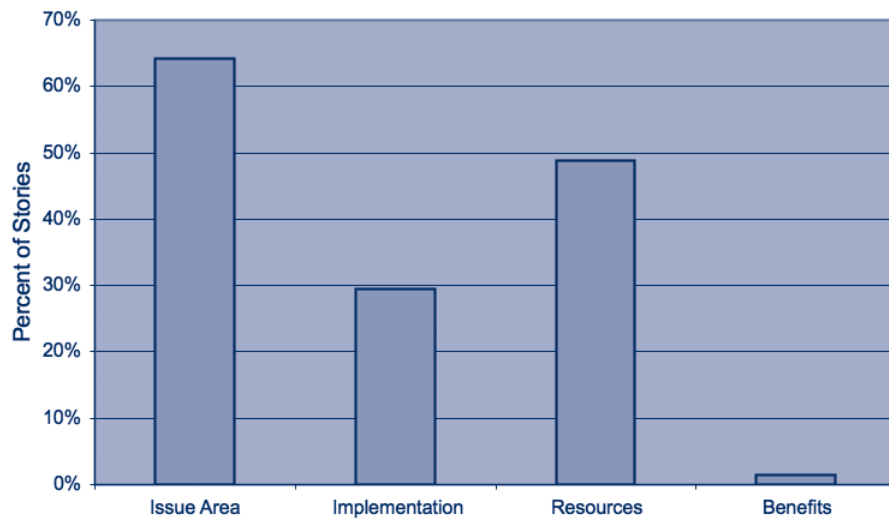


FIGURE 4:
Nature of philanthropy media coverage (focus of stories as a percentage of all philanthropy stories)

Note: Stories may have multiple areas of focus. See Appendix C for category definitions.

B. Coverage is primarily focused on individual transactions and the process of giving: The nature of the coverage has remained relatively consistent over time and the focus is primarily about the issue or programmatic area being funded (64 percent of all stories mentioning philanthropy) and the amount of money being funded (49 percent), as shown in Figure 4. Stories concerning the implementation of philanthropic activity or the “mechanics” of giving represent less than a third of all stories (29 percent). Typically stories include information about how much is being funded, when and where, to whom, and by whom.

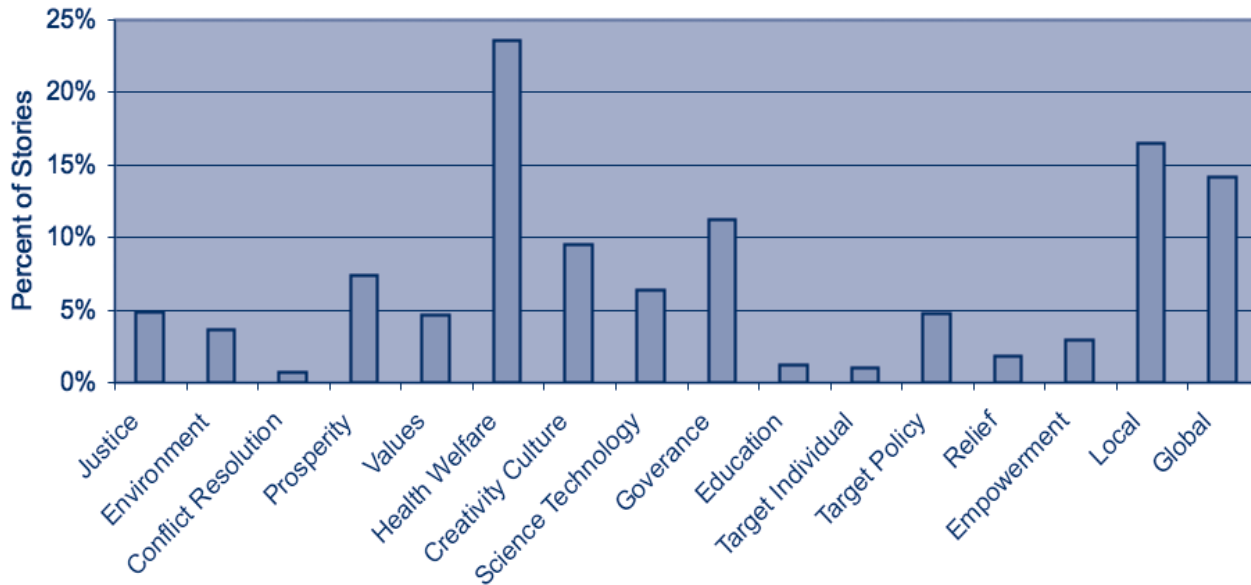
What does a story about impact look like?

Consider this excerpt from
The New York Times

Fewer American babies are dying, children are less likely to live in poverty, and fewer youngsters are dropping out of school than in the mid-1990's, according to the Annie E. Casey Foundation, a research and grant-making group that focuses on children, in its annual Kids Count report. From 1996 to 2001, improvements were reported in eight of the 10 indicators that the report uses to measure success. Thirty-five states and Washington, D.C. improved on at least 6 out of 10 indicators. Despite the improvements, nearly one in six young adults, 3.8 million Americans from 18 to 24, was not enrolled in...

June 3, 2004 *The New York Times*, page A3

FIGURE 5: Relative distribution of philanthropic activity discussed in news media coverage, 1990-2004



Note: Stories may have multiple areas of focus. See Appendix C for category definitions.

C. Media discussion of the impact or benefit of the philanthropic activity are rare. Expressions of the benefit or impact of the funding from foundation philanthropy are barely visible (1 percent, as shown in Figure 4) among news stories about philanthropy over the last 15 years. The average number of stories with expressions of the impact, benefit or results of philanthropic activity each year was 36, ranging from 14 in 1993 to 64 in 1999.

In contrast, stories tend to be transactional and focused on various aspects of philanthropic activity. The philanthropic activity detailed in Figure 5 refers to the issue area or domain of activity (i.e., justice, environment, health and welfare); the target (i.e., to benefit an individual or public policy); the timeframe (i.e., short-term relief or long-term empowerment); and the geographic scope (i.e., local, national, or global). Predominant issue areas for philanthropic giving include issues related to health and welfare, the arts, and governance (i.e., democracy and citizenship). References to the geographic scope (i.e., local and global) occur relatively frequently. (See Appendix C for more details about these components.)

“Implementation,” as detailed in Figure 6, refers to how grant-making occurs, and includes references to innovation, entrepreneurship, leadership, partnership and collaboration. References to the rationale or motivation behind philanthropic activity appear rarely, as do expressions of praise or criticism related to the activity. (See Appendix C for more details about each of these components).

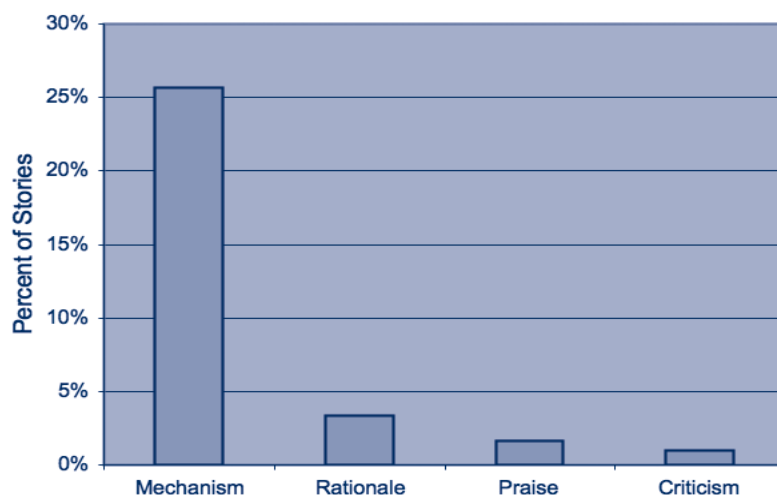


FIGURE 6:
Relative distribution
of “implementation”
components of stories,
1990-2004

Note: Stories may include multiple implementation components. See Appendix C for category definitions.

D. Expressions of praise and criticism related to philanthropy are minimal. Very few stories (less than 2.5 percent in any given year) in our 15-year data sample include expressions of praise or criticism for philanthropy. The discussion among total philanthropy coverage tends to be transactional in nature. The average number of stories with expressions of praise during this time period was 41 per year, ranging from 18 in 1992 to 69 in 2000. Expressions of criticism appear even less (not more than 2 percent in any given year), averaging at 24 stories per year and ranging from five in 1992 to 50 in 2003 (see Figure 7).

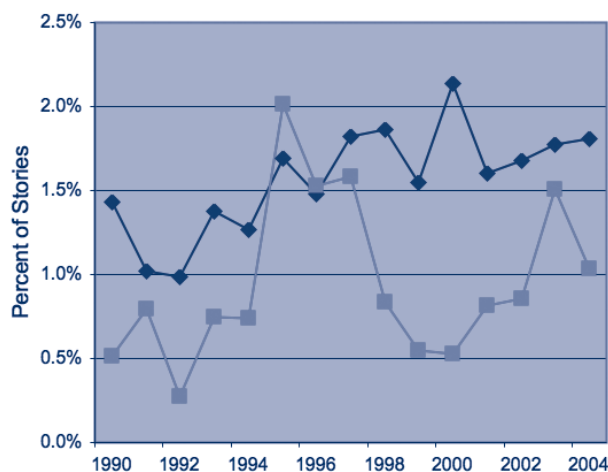


FIGURE 7:
Time trend showing minor
fluctuations in praise/criticism
among all philanthropy stories

Note: Fluctuation among philanthropy stories containing praise or criticism is never more than a maximum of about 2 percent in any one year. See Appendix C for concepts searched related to praise and criticism. Some of this coverage may be exaggerated due to praise and/or criticism being applied to recipients and to other topics. The exact attribution was difficult to make and was not pursued in depth, given the low volume of stories.

IMPLICATIONS

Perhaps the most illuminating finding in the PAI media content analysis is how little information of substance about philanthropy is transmitted through the news media. Although the term is used frequently in the news, our findings suggest that there is an opportunity to communicate more in-depth information to foster a greater understanding of the impact and public good associated with philanthropic activities. Leaders in the private foundation sector may consider the following implications when considering their policy and strategic communications decisions:

1. QUANTITY VERSUS QUALITY. Overall, the findings illustrate that philanthropy is timely, topical, and of interest to journalists, if only by the steadily increasing amount of news media coverage. Journalists and editors appear to have an appetite for information distributed by and about the philanthropic sector. However, judging from the stories in the news media, public understanding would be limited, at best, to individual transactions by specific foundations rather than to any sense or appreciation for the value that the philanthropic sector as a whole bestows on society and how it compares to government and private enterprise in the cause of advancing, for example, social progress or technological innovation. While the volume of coverage over time is increasing, the substance of the coverage is consistently superficial.

2. A GAP EXISTS BETWEEN WHAT MOST FOUNDATION MISSIONS CLAIM AS THEIR GOALS AND WHAT IS CONVEYED BY THE MEDIA. According to the mission and program statements of foundations, the objective of organized philanthropic giving is to advance issues, solve problems, or further knowledge and understanding of particular issues. However, virtually absent from the media coverage is any connection to what the act of giving is doing to further an issue or how foundation philanthropy (and not some other source of funds) is making a difference.

3. CONCERNS OVER NEGATIVE PRESS ARE OVERBLOWN. While negative press is troubling, these stories should not dominate thinking or result in fear-based or defensive communications strategies. Bad actors should be identified and removed. Problems should be resolved. However, such stories should be seen in the context of other coverage, and should motivate the foundation philanthropy sector to better amplify and accentuate its significant contributions and attributes, given that the volume of unfavorable coverage has remained extremely low (less than 2 percent) throughout the study time period (see Figure 7). The strong signal our data delivers is that there are a lot of stories, but the stories are mainly transactional: neither the ultimate impact of grant-making nor the good nor bad actors are their main focus. Our signals are strong: the media is interested in what foundations have to say, and what they are reporting most often are grant-making transactions. The critical stories may be noisy, but they don't interrupt the signals we've detected.

4. THE MEDIA'S COVERAGE OF PHILANTHROPIC BENEFIT AND IMPACT IS ELUSIVE. As illustrated in Figure 4, throughout the 15-year period, discussion of benefits is rare in the news media coverage. Instead the coverage focuses on the giving and receiving of money, with little consideration for what the money is meant to accomplish or, in fact, achieves. Foundations have a strategic opportunity to find ways to articulate, both individually and collectively, their broader impact on the communities and the society they seek to serve.

5. A GREATER UNDERSTANDING OF THE ROLE OF FOUNDATIONS MIGHT YIELD MORE APPRECIATION FOR THE VALUE OF FOUNDATION PHILANTHROPY AND THUS INCREASE ITS IMPACT. If there were more stories about what is being accomplished or achieved by philanthropy, there could be more public discussion and understanding of the role foundation philanthropy plays to solve problems and make the world a better place.

Possible Solutions

Highlighting the benefit and impact of philanthropic activity may require a different approach and strategy to media relations than previously taken by foundation philanthropy. Sharing statements of mission or goals more routinely as they connect to grant-making activity may be a start in proactive public communication since this information might lead the press to focus on how those goals are being accomplished. Another strategy might entail issuing news releases at the completion of projects, initiatives, or grant cycles in addition to the traditional grant announcement.

In other words, more substantive public discourse could contribute to a deeper understanding of the value of philanthropy in society. Again, our findings demonstrate that media discussion focuses largely on giving events and initiatives being funded. A great deal more potential exists to enhance the level of public discourse surrounding philanthropic activity with substantive information about benefits, impact and results that would yield stronger public perceptions, deepen understanding of the related issues, and increase the societal value of that activity.

6. THESE FINDINGS SUGGEST FURTHER EXPLORATION IS NEEDED TO UNDERSTAND WHAT ACTIONS MIGHT BE TAKEN TO CHANGE MEDIA COVERAGE OVER TIME. Findings from the media analysis will be compared to look for alignments or disconnects with the forthcoming

PAI report that summarizes insights gleaned from numerous interviews conducted with sector leaders and other opinion leaders. There may also be opportunities for closer examination of the data generated by this media audit. For example, the following areas might be explored in greater depth:

- Variation in coverage over time and/or in the nature of coverage could be compared to major external events, such as 9/11, the Tsunami, Hurricane Katrina, legislative and regulatory activity, periods of national economic downturn or prosperity.
- Variation in coverage among particular issue areas (e.g., compare coverage trends by issue area with funding trends, if the data are available).
- The frequency and nature of coverage in different regions of the country to reveal differences in perspectives at the local or regional level.
- The specific content of stories with expressions of benefit, praise and criticism to reveal the forces (i.e., sociopolitical, cultural, corporate) behind these stories.

Understanding news coverage trends and the forces that drive them allows philanthropic leaders to examine in a new light their strategies surrounding how and what they choose to communicate to the press.

Concluding Thoughts

The findings of this media content analysis indicate that news coverage of private foundation philanthropy, while increasing in volume over time, has been consistently transactional in nature. What is lacking in coverage is meaningful discussion of the impact of foundation philanthropy. We know what is being funded, where, by whom and to whom. But there is scant attention to what is meant to be, is, or has been accomplished with private foundation resources.

Telling the stories of private foundation philanthropy's successful and failed attempts to bring about change or to make the world a better place may yield the following results:

- Shift the sector's focus from the process of giving (transaction) to the impact of giving (transformation);
- Establish the role of foundation philanthropy in society as distinct from that of charitable organizations;
- Demonstrate that true innovation is occurring;
- Share models that can be emulated; and
- Encourage philanthropic giving.

Monitoring media coverage over time using computer content analysis of online news stories offers foundation philanthropy leaders new information and therefore fresh opportunities to be strategic and thoughtful in their communications.

This historical analysis has allowed us to establish time trends for specific concepts of interest. Rather than just looking at a snapshot in time, these trends reveal the trajectory of public debate about foundation philanthropy. As noted above, further study might provide insights to the effects of important events on news coverage (e.g., changing economic conditions, natural disasters, legislative activity). Now that a template and baseline have been established, these time trends can be updated easily and efficiently by downloading current news stories and running the data through the same computer coding system.

On the basis of this analysis, the PAI is developing a real-time media content monitoring system that can be used to identify and monitor emerging and changing areas of public interest related to foundation philanthropy. This Web-based media monitoring system promises to be a tool that can help decision-makers transform news coverage concerning the issues they care about, from transactional and events-oriented to substantive and benefits-oriented.

END NOTES

- 1 Opinion research conducted in 2003 for the Council on Foundations documented a lack of familiarity with foundations among the general public and “influentials.” Recent leadership interviews conducted by the PAI further reinforces this fact and will be reported in a forthcoming publication.
- 2 The Foundation Center, *Foundation Growth and Giving Estimates*, 2006, 1.
- 3 McCombs, Maxwell E., *Setting the Agenda: the Mass Media and Public Opinion*, (Cambridge, UK: Polity Press, 2004), 1.
- 4 McCombs, xiv.
- 5 McCombs, 1.
- 6 For those that believe the Internet is chipping away at the impact of traditional media sources on public opinion, McCombs offers, in an Epilogue to *Setting the Agenda*, a compelling argument that technology is not having the impact one might think on the agenda-setting power of the news media. He notes that the content is still basically the same, just distributed across more outlets and, therefore, “...a high degree of redundancy in the media agendas to which the public is exposed is likely to continue for at least the near future. ... [I]n terms of the major news of the day, there will still be a relatively homogenous media agenda, at least until someone invents a new kind of news that eclipses the traditional news audience.” McCombs, 149.
- 7 “Although one might expect news coverage of philanthropy to be largely positive, the image of philanthropy is being tarnished by stories on scandal, fraud, and negative coverage of some foundation executives.” Douglas Gould, et al, “Truth on the Sidelines: Philanthropy & Foundations in the Media,” Douglas Gould & Co., Inc., Larchmont, NY, September 2003, 3.
- 8 Subsequently, Independent Sector convened in 2004 a high-profile panel resulting in recommendations to improve transparency, governance, and accountability in the charitable community. For a copy of “Strengthening the Governance, Transparency, and Accountability of Charitable Organizations,” a final report to Congress and the Nonprofit Sector, June 2005, visit www.nonprofitpanel.org/final/Panel_Final_Report.pdf. For more information about the Panel on the Nonprofit Sector, visit www.nonprofitpanel.org/. Viewed online November 28, 2005.

END NOTES

- 9 Dr. Fan is professor of Genetics, Cell Biology and Development and adjunct professor of Journalism and Mass Communication at the University of Minnesota, St. Paul, MN.
- 10 For more information about InfoTrend, see the following: David P. Fan, *Predictions of Public Opinion from the Mass Media: Computer Content Analysis and Mathematical Modeling* (New York, NY: Greenwood Press, 1988). David P. Fan, "Computer Content Analysis of Press Coverage and Prediction of Public Opinion for the 1995 Sovereignty Referendum in Quebec," *Social Science Computer Review* 15 (1997): 351-366. Thomas E. Fish, et al, "Uses, Values, Stakeholders, and Opinions Associated with Marine Protected Areas: A Content Analysis of New Media, 1995-2001," National Oceanic and Atmospheric Administration, NOAA/CSC/20215-PUB, Charleston, South Carolina, June, 2002, 2-3.
- 11 See David P. Fan, *Predictions of Public Opinion from the Mass Media: Computer Content Analysis and Mathematical Modeling* (New York, NY: Greenwood Press, 1988).
- 12 This media audit examines online news content only. Although there are limitations to this approach, the use of computer-assisted technology affords many benefits and efficiencies (e.g., the speed at which coding and filtering changes can be made and data can be processed, and minimizing human bias typically associated with coding text).
- 13 "The history of philanthropy within Western civilization, after a period of long neglect, has become a topic of serious scholarly investigation over the past twenty-five years. An extensive scholarship on human charitable and philanthropic practices and institutions is now developing because historians, as well as investigators in kindred disciplines such as anthropology, law, and religious studies, now recognize the vital, formative roles that dynamic gift exchange and charitable action can take in human communities over time. Newer studies emphasize philanthropy's dual capacity throughout history to affect and effect systems of compassionate aid, ethics, government, status, and ritual. Consequently, widely accepted but vague definitions of "philanthropy," as merely "the lover of mankind"—manifest especially through private and voluntary giving for public benefit—are now open to criticism, revision, and expansion." *Philanthropy in America, A Comprehensive Historical Encyclopedia*, Vol. 1, Dwight F. Burlingame, Editor, ABC CLIO, Santa Barbara, CA 2004, 234.
- 14 "Social benefit can be sought by individuals or organizations, by nonprofits or for-profits, by the private sector or the public sector. It's the larger stage on which philanthropy is an important but not solo performer. For more on social benefit and the role of philanthropy in the 21st century, see Katherine Fulton and Andrew Blau, "Looking Out for the Future," *An Orientation for Twenty-First Century Philanthropists*, Monitor Company Group, LLP, 2005, 2.

END NOTES

- 15 Top Foundations by Giving, as compiled by the Foundation Center as of June 1, 2005. The list includes foundations that are national, regional, and local in scope; private, community, and family foundations. Foundations created exclusively for the purpose of providing patient assistance programs (e.g., The Bristol-Myers Squibb Patient Assistance Foundation, Inc. and Janssen Ortho Patient Assistance Foundation, Inc.) were excluded because of their singular and narrow focus.
- 16 For example, several obituaries emerged because they often note that the deceased was a “philanthropist” or otherwise characterize an individual’s philanthropic activity in spite of efforts to filter out obituaries and paid death notices. Searches for stories with donation as an expression of resources turned up references to “blood donation” that required exclusion. Searches for “investment,” meant as an expression of empowerment, required us to exclude “chief investment officer.”
- 17 See David N. Bengston, David P. Fan, and Doris N. Celarier, “A New Approach to Monitoring the Social Environment for Natural Resource Management and Policy: The Case of U.S. National Forest Benefits and Values.” *Journal of Environmental Management*, Vol. 56, 181-193.
- 18 The news analysis had two types of potential error. One was the margin of error due to examining just a sample of all stories. For the results presented in Figures 4-6, the sample of stories was 38,086 stories giving margins of error between 0.5 and 1 percent for the bars in the graphs calculated using a binomial distribution. The other type of error was due to computer mis-scoring. These errors were checked by comparing human scores with machine scores for a random sample of 200 of the 38,086 stories. The sample was scored for several of the categories shown in Figures 5 and 6. The categories were chosen to include both very small percentages and relatively large percentages. To reduce bias due to scoring totally irrelevant text, the validation was performed on paragraphs enriched for discussion relevant to philanthropy as discussed in the text of this report. The percentages scored correctly among the philanthropy text among the 200 examined stories were: 97.5 percent for Health, 99.5 percent for Benefit, 91 percent for Mechanism, and 95 percent for Resources to give an average of 95 percent. Therefore, overall, about 95 percent of all scores are correct, on average, with negligible margins of error under 1 percent.
- 19 The Foundation Center, *Foundation Growth and Giving Estimates*, 2006.

APPENDIX A

Nexis News Sources Continuously Available Online Since 1990

Business Week
Dow Jones News Service
Federal News Service
Forbes
Fortune
Harvard Business Review
Heritage Foundation Reports
Los Angeles Times
National Journal
Newsday
Newsweek
Reuters News
Roll Call
Seattle Post-Intelligencer
Seattle Times
St. Louis Post-Dispatch
States News Service
The Associated Press
The Chicago Tribune
The New York Times
The NewsHour with Jim Lehrer
The Orange County Register
The San Francisco Chronicle
The Wall Street Journal
The Washington Post
The Washington Times
Time Magazine
U.S. News & World Report
U.S. News Wire
UPI (United Press International)
USA Today

APPENDIX B

This list includes the names of private, community, and corporate foundations and sector organizations included in search terms to identify stories about philanthropy and charitable giving among all news stories for selected sources, January 1, 1990 to December 31, 2004.

Alliance for Charitable Reform
The Annenberg Foundation
Association of Small Foundations
The Bradley Foundation
The Community Foundation for the National Capital Region
Council of Michigan Foundations
Council on Foundations
The Ford Foundation
Bill and Melinda Gates Foundation
Forum of Regional Associations of Grantmakers
Grantmakers in Health
The F.B. Heron Foundation
The William and Flora Hewlett Foundation
Independent Sector
W.K. Kellogg Foundation
The Kresge Foundation
The Dean and Margaret Leshner Foundation
Lilly Endowment, Inc.
John D. and Catherine T. MacArthur Foundation
The Meadows Foundation
The Andrew W. Mellon Foundation
Charles Stewart Mott Foundation
The New York Community Trust
John M. Olin Foundation, Inc.
Open Society Institute
The David and Lucile Packard Foundation
The Pew Charitable Trusts
The Robert Wood Johnson Foundation
Rochester Area Community Foundation
The Rockefeller Foundation
The Starr Foundation
Verizon Foundation
Wal-Mart Foundation
Walton Family Foundation
WellPoint Foundation

APPENDIX C

PAI MEDIA AUDIT LEXICON

The table below details the lexicon created to capture ideas and associated words and phrases related to philanthropy in general and foundation philanthropy in particular. This lexicon was used to extract meaning of the text for analysis and represents a blend of what PAI determined prior to collecting the news-story text data and ideas that emerged from the text. Categories defined below appear in Figures 4-6.

ISSUE AREA	
Idea	Corresponds to
Justice	Addressing injustice in society, including references to minorities, human rights, civil liberties, economic justice.
Environment	Promotion of environmental health, conservation, protection of natural resources, pollution prevention.
Conflict resolution	Conflict resolution and peace at all levels of society.
Prosperity	Distribution of wealth, economic development and prosperity, ending poverty.
Values	Promotion of cultural and ethnic diversity, faith, religion, the public good, independence, social justice.
Health and welfare	Addressing issues relating to health and welfare, including health care, disease prevention, homelessness, affordable housing, domestic violence, substance abuse.
Creative culture	Supporting the arts, individual creativity, humanities.
Science and technology	Advancing science and technology.
Governance	Issues related to citizenship, democracy, government, and public affairs.
Reform	Funding; improve; reform support
Education	Archive; bilingual classroom; curriculum; doctoral; education; library; public access; school; student; teach; train
Target individual	Individual people as targets, e.g., through education and information.
Target policy	Broader community or public policy as target, e.g., new laws, regulations, social security.
Local	Sphere or level in which activity takes place, including local, community, neighborhood.
Global	Sphere or level at which activity takes place, including international, world, various foreign countries, foreign affairs.
Relief	Time frame as in disaster, crisis, humanitarian aid or assistance.
Empowerment	Time frame as in longer-term investment and empowerment.
IMPLEMENTATION	
Idea	Corresponds to
Mechanism	Manner by which grantmaking occurs, including catalytic, collaborative, entrepreneurial, innovative.
Praise	Performance, including accountability, effectiveness, efficiency, ethics, fiscal responsibility, integrity, transparency.
Criticism	Performance, including lack of accountability, ineffectiveness, accounting discrepancies, mismanagement, misguided philanthropy, fraud, impropriety, inefficiency.
Rationale	Addresses motivation for philanthropic activity, including to advance progress, spirit of altruism, tradition, tax benefits or tax incentive, charitable impulse, the future, good works, moral obligation or responsibility.
RESOURCES	
Idea	Corresponds to
Resources	Funds made available for philanthropic activity, including grants, endowments, donations, money, and amounts.
BENEFITS	
Idea	Corresponds to
Accomplishment	Accomplishments, benefit, impact, outcome, or success of philanthropic activity.

APPENDIX D

To illustrate the PAI's method, below are three stories with paragraphs of text coded for concepts of interest. The words in bold are associated with the concepts that follow in brackets. In these examples single words were fairly good indicators of the scored concepts. In other cases, combinations of words were used to identify the concepts.

EXAMPLE NEWS MEDIA TEXT AND CODING BY INFOTREND SOFTWARE

Carpenter Gary Glenham checks out the view from the hornbill nest in an artificial tree at the tropical rain forest exhibit being built at the woodland park zoo. Yesterday, a challenge grant was announced in which the **community** [local] is asked to raise \$ 1.2 million to secure a \$400,000 **grant from** [resources] the **Kresge Foundation** [philanthropy] of Troy, Michigan.

Source: *Seattle Times*, February 22, 1992, p. A1

... Dr. James H. Billington, the Librarian of Congress who first described his hopes for a national digital library at his inauguration in 1987, has scheduled a news conference for October 13, when he will announce the initial **financial support** [resources] for the project from private sources, including the philanthropist John W. Kluge, one of the richest people in the country and the owner of Metromedia Communications, and the David and Lucile **Packard Foundation** [philanthropy] of California, whose **resources** [resources] have been greatly increased in recent years by David Packard, one of the founders of the Hewlett-Packard company.

The initial phase of the **program** [mechanism], which will focus on the **technologies** [science and technology] needed to create high-quality digitized images of library material, is to be financed with private **money** [resources]. The officials said the library was halfway to its initial goal for private **fund-raising** [resources], but they did not say what that was.

Source: *The New York Times*, September 12, 1994, p. B11

Nonprofit groups dependent on corporate donations got some bad--albeit not totally unexpected --news Monday: corporate giving in southern California remains languid and has not kept pace with inflation or other **charitable giving** [philanthropy].

A survey of members of the Los Angeles-based Southern California Association of [sic] **Philanthropy** [philanthropy] showed that corporate giving in 1990 accounted for just 29% of total member giving--the smallest share since the group began polling its members in 1985. That year, corporations accounted for nearly half of the group's **charitable giving** [philanthropy].

Burns, whose association represents more than 100 of the area's largest private foundations and corporations with **philanthropic** [philanthropy] **programs** [mechanism], said the numbers are expected to get even worse. Because of a lag in compiling data, the survey released Monday does not reflect sharp recession-related cuts in corporate giving last year by many **local** [local] companies.

In practical terms, a continued decreased role for corporations in **charitable giving** [philanthropy] would be relatively more damaging to nonprofit **social service** [health and welfare] agencies than other charities, according to the Southern California Association for **Philanthropy** [philanthropy] survey. In 1990, about 23% of corporate giving went to **social service** [health and welfare] groups compared to 12% of private foundation contributions, which favored **educational** [education] groups.

Source: *Los Angeles Times*, January 28, 1992.

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